




STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF MENTAL RETARDATION SERVICES  
ANDREW JACKSON BUILDING, 15<sup>TH</sup> FLOOR  
500 DEADERICK STREET  
NASHVILLE, TN 37243

**MEMORANDUM**

**DATE:** August 30, 2005

**TO:** Kathleen Clinton, Regional Director  
Alan Bullard, Regional Director  
John Craven, Regional Director

**FROM:** Stephen H. Norris  
Deputy Commissioner 

**SUBJECT:** Prescription Drugs

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The purpose of this memorandum is to provide additional clarification regarding TennCare-related medication issues and the 5-drug limit, as well as to provide information about short-term funding assistance for TennCare Eligible individuals who are state-funded by the Division of Mental Retardation Services and who are adults (age 21 and older). We are reviewing options for long term resolution of the problems that are being encountered.

**Drug limits for adults**

- There is a limit of 5 prescription drugs (including refills) per month of which no more than 2 can be brand name drugs. TennCare, however, has a "Pharmacy Short List" of covered drugs that do not count toward the 5-drug limit. Thus, some individuals subject to the 5-drug limit will actually be able to get more than 5 drugs each month. Examples of drugs that do not count toward the 5-drug limit would be certain drugs for HIV/AIDS or Anti-hemophilic Factor for hemophilia.
- Over-the-counter (OTC) drugs are not covered except for certain prescribed prenatal vitamins.

**Exemption from the 5-drug limit for adults**

- Adults residing in an ICF/MR or a nursing facility and adults enrolled in one of the three Home and Community Based Services (HCBS) waivers are exempt from the 5-drug limit.
- There have been a number of instances in which adults who are in one of the HCBS waivers have been unable to get drugs because in the TennCare computer system they either did not appear to be exempt from the 5-drug limit or they appeared to have no drug benefit at all.
  - All individuals who were enrolled in the Self-Determination Waiver Program have been showing up as being subject to the 5-drug limit. TennCare is manually fixing this problem now.
  - In addition, some individuals in the "Statewide" waiver or the "Arlington" waiver are either showing up in the TennCare computer system as being subject to the 5-drug limit or as having no drug benefit. There are several possible causes which will have to be corrected by TennCare.

- If any individuals in the "Statewide", "Arlington", or "Self-Determination" waiver programs are having a problem getting drugs due to the way they are listed in TennCare computer system, please contact Louis Moore, M.D., and he will work with TennCare to get the problems corrected.

**Inability to obtain needed drugs for individuals EXEMPT from the 5-drug limit**

Example 1: An EXEMPT individual needs a non-covered OTC drug.

- The individual will have to use personal resources to pay for the drugs or find alternative resources (e.g., physician samples, family members, church resources).

Example 2: An EXEMPT individual needs a drug not on the Preferred Drug List.

- If there is some medical reason why the individual can not take the preferred drug, then it will be up to the enrollee's physician to request prior authorization and to provide necessary supporting documentation to obtain an alternative drug. If the enrollee's physician believes that the individual must have a drug other than the preferred drug and if the request is denied, the enrollee has the right to appeal the denial.

Example 3: An EXEMPT individual wants a brand name drug rather than the generic form of the drug.

- A generic drug is the same drug as the brand name except that it is made by a different company (e.g., brand name Tylenol versus the store brand of acetaminophen). The bottom line is that if the drug is available as a generic, the generic should be used. There are very few exceptions to this (e.g., rarely an individual will be allergic to an inert ingredient such as a dye).
- A related issue, which sometimes is confused with the true generic issue listed above, involves drugs in the same class. For example, drugs such as Prozac, Zoloft, and Celexa are in the same class of antidepressants and act in a similar way; however, they are not identical drugs like true generics, which means they might act somewhat differently and have different side effects and drug interactions in a specific individual. TennCare may mandate the use of a generically available drug as the preferred drug. As a hypothetical example, brand name Celexa may not be available without prior authorization because another less expensive drug in the same class is available generically (e.g., the generic form of Prozac). If there is some medical reason why the individual can not take the preferred drug, then it will be up to the enrollee's physician to request prior authorization and to provide necessary supporting documentation. In cases like this, the final decision rests with the individual's prescribing physician. The physician may feel that the preferred drug works just as well in the enrollee. If not, the enrollee has the right to appeal.

Example 4: An EXEMPT individual was listed incorrectly in the TennCare computer system as an individual subject to the 5-drug limit or as having no drug benefit and, as a result, the enrollee or the provider agency had to pay for the drugs before the error was corrected. In such cases, the enrollee has the right to appeal to TennCare and request reimbursement.

**Inability to obtain needed drugs for state-funded individuals NOT EXEMPT from the 5-drug limit**

Example 1: A state-funded individual (not enrolled in an HCBS waiver) is Medicaid eligible and, as a result, is subject to the TennCare 5-drug limit.

- With the exception of the short-term state funding described under "State Funding" below, the individual will have to use personal resources to pay for other needed drugs or find alternative resources (e.g., physician samples, family members, church resources, discount drug plans/programs, free drugs from manufacturers).
- If the individual is eligible for one of the three HCBS waiver programs, efforts should be expedited to get the individual into a waiver program as soon as possible.

**Inability to obtain needed drugs for state-funded individuals who are not Medicaid eligible**

Example: A state-funded individual (not enrolled in an HCBS waiver) is NOT Medicaid eligible and, as a result, has no TennCare drug benefits.

- With the exception of the short-term state funding described under "State Funding" below, the individual will have to use personal resources to pay for the drugs or find alternative resources (e.g., physician samples, family members, church resources, discount drug plans/programs, free drugs from manufacturers).

**Short-Term State-Funding of Medications**

For dates of service from **August 1, 2005, through September 30, 2005**, the Division of Mental Retardation Services will provide limited state funding for medications in accordance with the following conditions:

- Reimbursement for drugs will be available ONLY for adult (age 21 and older) **TennCare Eligible individuals who are state-funded by DMRS** and who are not enrolled in one of the Home and Community Based Services waiver programs ("Statewide" waiver, "Arlington" waiver, "Self-Determination" waiver).
- Reimbursement shall be made for no more than a 1-month supply dispensed during September, 2005, and, if applicable, a 1-month supply dispensed during August, 2005.
- No reimbursement will be available for over-the-counter (OTC) drugs.
- When a generic drug is available, reimbursement will be available only for the generic form of the drug and not for the brand name drug.
- If the individual is both TennCare Eligible and Medicaid Eligible and, as a result, is subject to the TennCare 5-drug limit, state funding will not be available for drugs that TennCare would otherwise pay for, including those drugs which require prior authorization because they are not on the TennCare Preferred Drug List.
- If the individual is just TennCare Eligible and NOT Medicaid Eligible and, as a result, has no TennCare drug benefit, state funding will not be available for drugs unless available generically or available on the TennCare Preferred Drug List or on the TennCare Pharmacy Short List.

- Provider agencies should submit documentation to the DMRS Regional Director regarding the amount paid to the pharmacy as well as information about the specific drug (drug name, drug strength, drug form, # of units dispensed). The DMRS Regional Director should forward such documentation to Assistant Deputy Commissioner Fred Hix in the DMRS Central Office.

DMRS Regional Directors should notify provider agencies of the requirements to receive the short-term state funding, as described above, for medications for adult (age 21 and older) TennCare Eligible individuals who are state-funded by DMRS and who are not enrolled in an HCBS waiver program.

If you have any questions, please contact Louis Moore, M.D., Medical Director for Policy and Governmental Relations, at (615) 741-6632.

SHN:wlm

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